IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.601 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.745 OF 2007

In the matter of Scheme of Arrangement between Madhu India Ltd. and Madhu Mattor Pvt. Ltd. and Kazage Lifestyles Pvt. Ltd.

Madhu India Ltd. .. Petitioner.

WITH

COMPANY PETITION NO.602 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.746 OF 2007

In the matter of Scheme of Arrangement between Madhu India Ltd. and Madhu Mattor Pvt. Ltd. and Kazage Lifestyles Pvt. Ltd.

Madhu Mattor Pvt. Ltd. .. Petitioner.

WITH
COMPANY PETITION NO.603 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.747 OF 2007

In the matter of Scheme of Arrangement between Madhu India Ltd. and Madhu Motor Pvt. Ltd. and Kazage Lifestyles Pvt. Ltd.

Kazage Lifestyles Pvt. Ltd. .. Petitioner.

Mr.Hemant Sethi i/b Hemant Sethi & Co.
for the petitioners.
Mr.N.D.Sharma with Mr.G.C.Mishra for R.D.

CORAM : D.B.BHOSALE, J.
DATED : 28TH SEPTEMBER, 2007.

P.C.:

1. The sanction of the Court is sought to a Scheme of arrangement between Madhu India Ltd. (for short "transferor/demerged company") and Madhu Mattor

Pt. Ltd. (for short "1st transferee company/1st resulting company") and Kazage Lifestyles Pvt. Ltd. (2nd transferee company/2nd resulting company) for demerger of Penny & Braided Rug division of transferor company into 1st transferee company and demerger of leather Rug.Handloom & Powerloom durries Division of transferor company into 2nd transferee company under Sections 391 to 394 of the Companies Act, 1956.

2. Counsel appearing on behalf of the Petitioners has stated before the Court that insofar as the transferor is concerned : (i) all the equity shareholders have granted their consents; and (ii) there are no preference shareholders and individual notices were dispatched to all the secured and unsecured creditors in pursuance of the directions issued by this Court while dispensing with convening of the meeting of the unsecured creditors.

3. Insofar as the transferee companies are concerned, the Court has been informed by the learned counsel that : (i) all the equity Shareholders in both the companies have granted their consents; (ii) there are no preference shareholders or secured creditors; and (iii) the meeting of unsecured creditors of 1st transferee company was dispensed with in view of the consent obtained from all the

unsecured creditors and there are no unsecured creditors of 2nd transferee company.

4. One of the secured creditors, namely, State Bank of India have entered appearance in this petitions, however, has not filed affidavit opposing the scheme. This Court is informed that the transferor and resulting companies have assured the State Bank of India that their dues will be paid in the ordinary course of business and the securities furnished by the companies will continue till the dues of State Bank of India are fully paid. The statement of learned counsel for the petitioner is accepted.

5. Upon perusal of the entire material placed on record, in my opinion, the scheme is fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned has come forward to oppose the scheme. Moreover, the Regional Director has stated that the scheme as proposed is not contrary to the public interest or prejudicial to the interest of the shareholders or creditors.

6. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled, Company Petitions filed by the transferor

company and the second transferee are made absolute in terms of prayer clauses (a) to (c) and company petition No.602 of 2007 filed by the 1st transferor company is made absolute in terms of prayer clauses (a) to (g).

7. The transferee-companies to lodge a copy of the order and the scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamps duty payable on the same, if any, within 30 days of obtaining a certified and/or an authenticated copy of the order.

8. The Petitioners in all the three petitions to pay costs of Rs.2500/- each to the Regional Director to be paid within four weeks from today.

9. Filing and issuance of drawn up order is dispensed with.

10 . All authorities concerned to act on a copy of this order duly authenticated by the Registry.

(D.B.BHOSALE, J.)